

STATEMENT OF CONSIDERATIONS

REQUEST BY SCHOTT DONNELLY, LLC, FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC26-00NT40996 W(A)-00-030, CH-1043

The Petitioner, Schott Donnelly, LLC (Schott), was awarded this cooperative agreement for the performance of work entitled, "Development of Durable Large Area Electrochromic (EC) Glazing". The purpose of the cooperative agreement is to address the technical issues necessary to make electrochromic (EC) technology usable for large-area architectural windows and to demonstrate both the reliability and the lifetime of the glazing. The work under this project will investigate electrode materials, internal busbars, electrolytes, seals and cell assembly, and will demonstrate a prototype EC window that meets the needs of architectural applications.

The total estimated cost of the cooperative agreement is \$1,842,254 with the DOE and Schott each sharing fifty percent, or \$921,127. The planned performance period is October 2000 through February 2003.

In its response to questions 4 and 5 of the attached waiver petition, Schott has detailed its technical competence in the development of electrochromic technology as it relates to large area architectural windows. Schott Donnelly is a U.S. company established through a joint venture between Schott Corporation and Donnelly Corporation. Both companies are world leaders in electrochromic technology, and they have engaged in research and development efforts leading to new technologies having both architectural as well as automotive applications. Schott and Donnelly together have over thirty five U.S. patents as well as numerous technical publications addressing this technology. A representative list of patents and publications is provided in response to question 4. In addition, Schott has an established commercial presence with significant sales of novel commercial glass products. Schott's response fully demonstrates its technical competence in the field of electrochromic technology.

In its response to questions 8 and 9 of the attached waiver petition, it appears that although grant of the waiver will put Schott in a stronger market position, the waiver grant will facilitate more support from its parent companies to further develop the technology. In addition, the waiver grant will allow for faster commercialization and return, and strengthen its ability to negotiate with other companies to exchange and license the technology. Furthermore, based on Schott's response to question 14, grant of the waiver will promote the competitive interests of the United States since most of the competition Schott faces in this technology is from firms in France, Germany, and Japan. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Schott agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Schott agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements. The petitioner has further agreed to modification of the data clause of the subject cooperative agreement (48 C.F.R. 952.227-14) by adding paragraph (k), Alternative VI, concerning contractor licensing of data.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest resources in the commercialization of the results of the agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.


Mark P. Dvorscak
Assistant Chief Counsel
Office of Intellectual Property Law

Date : April 5, 2000

Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, it is determined that the United States and the general public will best be served by a waiver of rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:

Mark B. Ginsburg
Deputy Assistant Secretary
Building Technologies and State
and Community Programs
Office of Energy Efficiency and Renewable Energy

Date: _____

APPROVAL:

Paul A. Gottlieb
Assistant General Counsel
for Technology Transfer and
Intellectual Property

Date: _____

(t) U. S. COMPETITIVENESS The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

3

4